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BY FAX AND MAIL

565-9002

August 15, 2006

BY HAND

Hon. Vernon A. Williams, Secretary

Surface Transportation Board

1925 K Street, N.W.

Washington, D.C. 20423-0001

ENTERED
Office of Proceedings

AUG 17 2006

Part of
Public Record

RE: STB Finance Docket No. 34893, The Chicago,
Lake Shore And South Bend Railway Company
- Acquisition And Operation Exemption -
Norfolk Southern Railway Company

Dear Mr. Williams:

I am writing on behalf of The Chicago, Lake Shore And South Bend Railway Company ("CLS&SB"), and applicant in the above-captioned proceeding.

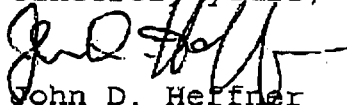
CLS&SB had filed a verified notice of exemption on June 14, 2006, seeking to acquire approximately 3.2 miles of railroad trackage in and around South Bend, IN, which Norfolk Southern Railway Company had proposed to sell. Since then, the City of South Bend, the Sisters of the Holy Cross, and the Brothers of the Holy Cross, Inc. (Brothers), have filed petitions to revoke. In the case of the Brothers, the undersigned counsel understands that their protest contradicts a previous representation that they would not oppose CLS&SB's exemption notice.

CLS&SB still desires to undertake this transaction; however, it desires to do so in a more favorable political climate. Accordingly, CLS&SB requests that the Board hold this exemption proceeding in abeyance to give the parties an opportunity to resolve their differences. Dismissing the notice would be counterproductive. Should the parties

resolve their differences, CLS&SB would then have to spend unnecessary funds to submit a new notice of exemption and pay a new \$1500 filing fee.

Accordingly, please hold this matter in abeyance until further notice.

Sincerely yours,



John D. Heffner
Counsel

cc: All parties
Mr. Robert Harris
Mr. Gary Landrio